

REPORT OF INVESTIGATION

00C
(CATEGORY OF REPORT)

Los Angeles
(FIELD OFFICE)

115-55-9883

CASE NO.	DATE
#222918 - G.W.B.A. Inc.	13 September 1960
PERIOD OF INVESTIGATION	
9 September 1960 and 12 September 1960	
OFFICE OF ORIGIN	
Los Angeles Field Office	
REPORT MADE BY	
Elphege O. Dumond	
CHARACTER OF CASE	
SB/2	
APPROVED:	
SPECIAL AGENT IN CHARGE 12 Oct. 1960	

FINAL

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- Files

CLASS: **PRIORITY**

FILE NO. #222918

DATE 13 September 1960

SYNOPSIS

At New Orleans, Louisiana:

Guy B-----, of SUBJECT company, is engaged in the business of private investigations of all types. The extent of the operation is very limited and he appears to be the only employee at the present time. His office at 531 Lafayette Street is in a four-story building located in a commercial, low-rent section of the city. His office is on the first floor and is the only office on this floor. His office is directly across the street from the main Post Office. He left his Balter Building address on St. Charles Street about eight or nine months ago. He had occupied two rooms on the fourth floor of a four-story building, located in a commercial section of the city and across the street from the Masonic Temple which now houses many United States Government offices. His general business reputation is good but it appears that his business is not very sound. His business was incorporated on 21 January 1958. He is President and owns 470 shares of stock and his wife is Vice-President, owning 10 shares. The Secretary-Treasurer at the time of incorporation was Joseph A. OSTER who owns 20 shares. A Dun and Bradstreet report reflected that Guy B----- hired one investigator, Vernon GERDES, and the company was not a financial success. A lien has been placed on the company and NSF (not sufficient funds) checks have been returned. Four confidential informants were interviewed. They advised Guy B----- was suspended from his position as Assistant Superintendent of the New Orleans Police Department because he was involved in a downtown bar incident. He was accused of being drunk and of pulling a gun in public. There were many conflicting stories and favorable and derogatory newspaper articles pertaining to the incident. Guy B-----'s

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suspension from the Police Department was lifted and he was re-instated in a different position with no authority. He worked for two days and then resigned. He then purchased a newspaper in Gretna which he operated for about a year and a half. When he was the owner of this paper he was charged with defamation and was acquitted on 29 March 1960. (See Exhibit 1 referring to this case). He eventually sold the newspaper, probably for financial reasons, and began his private investigating business. One informant stated Guy B--- in recent years has aligned himself with Kent COURTNEY, publisher of the Independent American which is an extremely right-wing publication, and whose editorial policy is against desegregation and for strong States' Rights. Credit records were checked in the name of Guy B--- and his two former employees. Guy B---'s rating was "slow." The credit records on Joseph OSTER reflected he was employed as Vice-President of the Southern Research Company, Inc., and earned between \$12,000 and \$15,000 yearly. He had three attorney accounts which were eventually paid. A credit report on Vernon GERDES reflected that he was employed for an insurance company and had been an investigator for the SUBJECT company and other investigation firms. The Retail Credit Company files contained additional background information on both Joseph OSTER and Vernon GERDES. Police records were checked in the name of Guy B---, Joseph OSTER and Vernon GERDES with negative results.

Herewith attached are Exhibits 1 thru 3 which contain background information pertaining to Guy B-----.

#222918

13 September 1960

REFERENCES:

At New Orleans, Louisiana:

On 12 September 1960 Confidential Informant LI-17 was interviewed. This informant has furnished reliable information in the past.

LI-17 stated he has known SUBJECT since approximately 1955 when SUBJECT became Assistant Superintendent of the New Orleans Police Department. Prior to this appointment SUBJECT had been an FBI Agent and had retired after 20 years' service. SUBJECT had been hired by Provosty A. DAYRIES, Superintendent of the New Orleans Police Department, for the purpose of cleaning up the police department which had been accused of being corrupt. SUBJECT established a very good reputation as an honest, competent police official who had done an excellent job of cleaning up the department until he got himself in trouble during the Mardi Gras in March 1957. At that time he was accused of being drunk and starting a fight in a New Orleans bar in the French Quarter.

The Police Department conducted an investigation of this incident which received a great deal of publicity in the newspapers. Many conflicting stories were circulated about this incident. One was that the Police Department had framed, or railroaded, the SUBJECT in order to get rid of him because he was getting too close to the top men who were responsible for the graft and corruption in the New Orleans Police Department. The New Orleans Crime Commission defended the SUBJECT as did many other prominent groups in the area. Newspaper articles relating to the incident carried many conflicting stories of witnesses. One story was that the SUBJECT had been drinking and had at least been indiscreet in handling the incident which arose. Since the SUBJECT was a prominent police official with a job requiring a great deal of tact and discretion, it was hard to believe that a person in his position, if he had been sober, would have caused the adverse publicity which he received.

LI-17 stated that after SUBJECT was suspended from the Police Department he purchased a newspaper, the Herald, a weekly paper published in Gretna, Louisiana, which he ran for over a year. When he was its owner the newspaper and the SUBJECT were sued for defaming the Universal Drilling Company and one of its

principal stockholders, Lewis J. ROUSSEL. This alleged defamation against the SUBJECT received a great deal of notoriety in the local newspapers. (See attached Exhibit #1, a newspaper article from The Times-Picayune, New Orleans, Louisiana, which reports the acquittal of SUBJECT on this charge).

After running the newspaper for over a year it was believed SUBJECT had to sell it because of financial difficulties. After selling the paper he started his own investigative agency which bore his name, and at the present time it is believed he is operating this agency. From newspaper articles LI-17 had the impression that this business, run by SUBJECT, might not be completely successful.

In recent years SUBJECT has associated himself with Kent COURTNEY, editor of the Independent American, a national publication which represents States Rights and which is extremely right wing in policy and appears to be dedicated to the proposition of preserving white supremacy. In the course of its promulgation of extreme views it has used many unethical means. LI-17 stated that the people who have been connected with this Independent American have criticised the Supreme Court to the point of demanding that all of the Justices resign because they were unethical. LI-17 advised that this organization, known as the Independent American Citizens' Council, is militantly against desegregation. LI-17 stated he did not know in what capacity SUBJECT was connected with this organization. LI-17 had seen the SUBJECT at many of their meetings and for all he knew SUBJECT might have been hired by them to conduct investigations for them.

LI-17 stated ever since SUBJECT has had some connection with this extremely right-wing radical group people have become concerned about whether or not he would use information, gained when he was with the New Orleans Police Department, to further the cause of this right-wing element.

Another person SUBJECT has associated himself with is Leander PEREZ, District Attorney for the Plaquemine Parish. This individual is extremely right wing in his political thinking and has sufficient power that he can dictate whether or not a person can vote. It is a known fact that he has denied the negroes in his parish the right to vote.

11-17 stated there was no doubt in his mind that SUBJECT was a loyal American for after all he had been with the FBI for 20 years, and he had accomplished a great deal of good when he was on the Police Force in New Orleans. When he was Assistant Superintendent of Police SUBJECT helped the Metropolitan Crime Commission a great deal and that organization, headed by Aaron KOHN, a former FBI Agent, came to the SUBJECT'S aid when he was suspended from the Police Department.

On 12 September 1960 Confidential Informant R-1, an official with the New Orleans Police Department, was interviewed as a developed informant.

R-2 advised he has known SUBJECT since 1955 when SUBJECT became Assistant Superintendent of Police in New Orleans. R-2 stated that he had a great deal of respect and admiration for the SUBJECT when he first assumed his duties with the Police Department. The fact that the SUBJECT had been a former FBI man for over twenty years, and had been Special Agent in Chicago, made it easy for one to respect him.

When SUBJECT first took over his duties at the Police Department he proved to be a capable administrator and he instituted many procedures which were beneficial to the Department. After SUBJECT had been in the Police Department about a year he apparently began to believe some of the favorable newspaper publicity which he received and it was common knowledge that on many occasions he failed to follow the orders from his superior, Provosty DAYRIES. SUBJECT began to question, or take opposite sides on policies set up by his superior, and to differ with the views of Mayor MORRISON.

On many occasions SUBJECT was invited to be a guest speaker at various organizations, such as Young Businessmen's Group and the American Legion. Some of his speeches made before these groups were critical of the city administration and the Police Department. These criticisms did not help the SUBJECT and alienated many of his former friends.

R-2 stated when SUBJECT had the difficulty at the Absinthe House Bar in March 1957 a complete investigation was conducted, and statements were taken of over 50 witnesses present at the bar at the time of the incident.

The majority of these witnesses stated SUBJECT had been drinking and he appeared to be intoxicated. Testimony also revealed SUBJECT grabbed the bartender by the jacket and pushed him hard enough to cause two buttons on the jacket to break loose. Some witnesses stated SUBJECT pulled out his gun and some denied it. There was also sufficient testimony that SUBJECT had engaged in unnecessary altercations at the bar. Any one of these allegations would be sufficient grounds for suspension from the Police Department.

On 4 March 1957 Superintendent of Police DAYRIES suspended the SUBJECT, but on 1 June 1957 SUBJECT was re-instated in the Police Department. His administrative powers were deleted and he was given the job of Planning Officer and the duties of investigating Communistic activities in the New Orleans area. SUBJECT kept this job for about two days and was then discharged on the grounds of insubordination. It appears that the SUBJECT had failed to take orders from his superior, Superintendent DAYRIES.

R-¹~~X~~ stated that he personally had a great deal of respect for the SUBJECT but he felt the SUBJECT had become egotistical and domineering, and wanted the top position in the New Orleans Police Department and was not interested in keeping the #2 job.

R-¹~~X~~ stated that since leaving the Police Department SUBJECT had purchased and operated a newspaper in Gretna but had been forced to sell it because of financial difficulties. SUBJECT then started his own investigating agency which he operates at the present time. When he started this agency he hired Joseph OSTER, Jr, a former New Orleans Police Officer.

On 12 September 1960 Confidential Informant R-²~~X~~, in charge of an investigative agency, was interviewed.

R-²~~X~~ stated he has known of the SUBJECT about five years. When SUBJECT was Assistant Superintendent of Police he had done a very commendable job. Apparently SUBJECT was an honest person who did everything in his power to clean up the graft and corruption in the New Orleans Police Department. When his investigation came

too close to the top men, the New Orleans Police Department framed him with a minor barroom incident which was used as a means of suspending him from the police force. Since leaving the Police Department he has started a private investigating business and appears to be conducting it on a fairly successful basis. R-3 stated that most of the information he knew concerning the SUBJECT had been obtained from newspaper articles.

On 13 September 1960 Confidential Informant R-4, an executive with the New Orleans Chamber of Commerce, was interviewed.

R-4 advised he did not know SUBJECT personally but knew of his reputation and activities when he had been Assistant Superintendent of the New Orleans Police Department. From reading about the incident at the Absinthe House Bar R-4 stated he was of the opinion that this incident had been blown up out of proportion by the public, and the Police Department used this incident to suspend the SUBJECT from his position. It appeared that the SUBJECT was getting too close to the bosses of the police administration and to the graft and corruption in the department, and consequently this incident was an excuse for his suspension.

CREDIT:

At New Orleans, Louisiana:

On 9 September 1960 Mrs. Betty ENGELBRACHT, secretary at the New Orleans Credit Bureau, 333 St. Charles, made available a report, dated 1 April 1957, in the name of the SUBJECT which contained the following information:

SUBJECT has been known to the files since February 1955. He was born on 7 March 1901, is married to Mary and they have one daughter. As of 15 January 1955 he was employed by the New Orleans Police Department as Assistant Superintendent of Police and earns approximately \$750 a month. He resides at 6161 Canal Boulevard, New Orleans. He is well regarded as to character, habits and morals.

14-00000

SUBJECT is a native of Vixen, Louisiana, and was formerly employed by the FBI as Chicago Agent in Charge. He had been with the FBI since 5 November 1934.

A report, dated 9 February 1954, prepared by Western County Credit Bureau, Oak Park, Illinois, reflected the following:

SUBJECT worked for five years on the Monroe, Louisiana, Police Force (dates not listed). He headed the FBI offices in Butte, Montana, Oklahoma City and Minnesota before transferring to Chicago in 1954. SUBJECT had a good credit rating.

On 1 September 1959 the Fort Worth, Texas, Continental Oil Company reported to the New Orleans Credit Bureau that the SUBJECT was "slow pay" for the months of March thru August 1959, and he owed \$684.28 under the name of Guy B----- Associates, Inc., 434 Balter Building, New Orleans, La. In June 1957 SUBJECT'S address was 7059 Argonne Street, New Orleans, Louisiana. A written notation, dated July 1959, on the report reflected that the SUBJECT had been employed by the Algiers Public Service but this statement was not further explained.

POLICE (CRIMINAL AND SUBVERSIVE RECORDS):

At New Orleans, Louisiana:

On 12 September 1960 the records of the New Orleans Police Department were checked in the name of SUBJECT with negative results. The records were also negative in the names of Mary W. -----, Joseph A. OSTER, Vernon GERDES and Kent COURTNEY.

GENERAL:

At New Orleans, Louisiana:

On 9 September 1960 Mr. Ray TAYLOR, an employee at Dun and Bradstreet, 442 Canal Street, made available a report, dated 5 February 1960, which contained the following information about the SUBJECT:

Guy B----- Associates, Inc., Room 434 Balter Building, 404 St. Charles, New Orleans, is a Louisiana corporation chartered 21 January 1958. Authorized capital is 500 shares with no par value stock.

Guy B-----, middle aged, married, was born Caldwell Parish, Louisiana. He served on the Monroe Police Force in 1929-34; with the FBI since 1934-54; came to New Orleans in 1955 and was appointed Assistant Superintendent of the Police Department, serving until his resignation in 1957. He has served as President of Guy B----- Associates, Inc. since its inception.

Vernon GURDES (sic), 35, married, was born in New Orleans, Louisiana. He served in the United States Marines from 1940 to 1945. From 1946 to 1947 he was variously employed in the New Orleans area, and from 1948 to 1951 he was employed by Chrysler in Michoud, Louisiana. From 1952 to 1954 he operated a local investigating bureau and from 1955 to 1956 he was employed as an insurance salesman; from October 1956 to January 1959 he worked at a service station. Since early 1956 he has served as Secretary-Treasurer of the Guy B----- Associates, Inc.

The Corporation operates a private detective agency on a fee basis. Operations are conducted from quarters in a large brick office building, located in the downtown commercial area. Recent attempts to contact the officers of the Corporation have been unsuccessful.

This Corporation has been in operation since January 1958 but in the opinion of authorities consulted, operations, especially in recent months, have not been conducted along successful lines. Altho detailed operating figures have not been available in outside quarters, the opinion of authorities consulted is that the volume at present is limited and the two officers who reportedly own all of the outstanding stock are credited with earning a small living, at best, from the business. The Corporation has a few hundred dollars in fixtures and equipment. Cash, if any, is limited and outside investigation reveals that during recent months some NSF (not sufficient funds) checks have been issued.

A check of Orleans Parish Court reveals that in 6 November 1959 the State of Louisiana filed a tax lien against Guy B----- Associates, Inc. in the amount of \$393. The lien is still outstanding. The Corporation has a slow paying record.

On 9 September 1960 the articles of incorporation of the Guy E----- Associates, Inc., located at the Civil District Court, were reviewed and reflected the following:

Corporation Name: Guy E----- Associates, Inc.

Objects and Purposes:

1. To conduct investigations into criminal and civil complaints for the purpose of assembling information for others relating to existing or threatened wrongs to person, property or reputations; the existence, identity, character, loyalty, activity and standing of individuals, firm or association; and the procurement of factual data necessary to the preservation and enjoyment of individuals and entities of their lawful rights.
2. To establish and maintain retail dealers protection and employee evaluation services.
3. To conduct surveys of physical plants and buildings for the establishment of protective systems which will guard against trespassers and miscreants of whatever kind.
4. To establish and maintain guard services, uniformed and not uniformed.
5. To conduct public opinion polls; consumer opinion polls and such other type and kinds of inquiries as may be necessary to properly advise clients in public relations activities.

Location and post office address of its registered office is 7059 Arbonne Street, New Orleans 24, Louisiana.

The full names and post office addresses of its registered agents are:

Guy E-----, 7059 Arbonne Street, New Orleans, La.

Joseph A. OSTIE, 6638 Dorian Street, " " "

Authorized shares of stock: 500

Amount of paid-in capital with which the Corporation shall begin is \$1000 which will be paid in cash.

The first Directors and Officers are:

		Shares
President	Guy B-----	470
Vice-Pres.	Harry H. -----	10
Secy-Treas.	Joseph A. OSTIFF	20

Above signed by William J. MAHAN, Notary Public, on 21 January 1958 at 1:15 p.m.

A check of the liens filed against B----- Associates, Inc. at the Civil District Court at New Orleans reflected the following:

Re: The State of Louisiana Parish of Orleans, City of New Orleans, Department of Labor, Division of employment security, Baton Rouge, Louisiana, against Guy B----- Associates, Inc.

The plaintiff placed a lien on defendant's property for 393.08, plus interest of .19.71, which is amount due in principal as contributions on employment covering the period beginning 1 July 1958 and ending 30 June 1959.

Amount owed to Division of Employment, Security, of the Department of Labor.

Lien recorded 6 November 1959.

Mortgage Record Book 1953, page 337, at the Orleans Parish, Civil District Court, New Orleans, Louisiana.

On 9 September 1960 this Agent conducted a survey of the facilities located at Room 434, Walter Building, 402 St. Charles. It was learned that Room 434 was the former office of Guy B----- Associates, Inc. Casual inquiries of the elevator operator, an unwitting informant, revealed that Room 434 had not been occupied for the past six or eight months. An examination of this space revealed that it was unoccupied as of this date.

This space consisted of two rooms on the 4th floor of a four-story office building located in a good commercial section of the city. This office building is well maintained and is diagonally across the street from the Masonic Temple which houses many Government offices.

Casual inquiries in the Balter Building revealed that Guy B----- Associates, Inc. had moved to 531 Lafayette St. A casual survey was conducted at 531 Lafayette Street which is located in a commercial low rent section of the city and is across the street from the United States Post Office. 531 Lafayette is an old four-story building and the first floor houses a restaurant on the corner and behind this, the offices of Guy B----- Associates, Inc. The entrance to 531 Lafayette is on the first floor and the entrance doorway opens directly onto the street. There are no signs on this building, nor is there any sign on the doorway to the entrance of Guy B----- Associates, Inc.

On 9 September 1960 Mrs. Betty ENGELBRACHT, secretary at the New Orleans Credit Bureau, made available a credit report, dated 29 July 1960, in the name of Vernon G. GERDES.

Agent's Note:

According to a D & E report on Guy B----- Associates, Inc. this individual was listed as SUBJECT'S associate and his name was spelled "GERDES"

Vernon G. GERDES is married to Mary Ann and has three dependents. His age was shown as 36 and his occupation was listed as self-employed investigator at 500 International Building.

A report dated 17 November 1959 contained the following information:

V. G. GERDES was employed by Guy B----- Associates, Inc., Balter Building, for the past four months as a private investigator and associate. V. GERDES is a native of New Orleans, Louisiana. He formerly worked for Higgins as a carpenter, later served in the United States Marines from 1942 to 1945 and then operated the Gerdes Service Station for five years. He then worked for Chrysler and later oper-

ated the Commercial Investigation Service from 1955 to 1957. He was then an Agent for the Massachusetts Protective Association from 1957 to 1959 and later was the owner of the GERDES Conoco Service Station. For one year he was an investigator for Guy B----- Associates, Inc. He is presently self-employed and does special work for Guy B----- and the Southern Research Company. His addresses were shown as 1207 Constantinople, 1439 Desire and 1790 Rosario.

On 12 September 1960 Mr. L. C. JONES, of the Retail Credit Company, made available a report, dated 1 June 1960, in the name of Vernon G. GERDES, 1207 Constantinople, which listed his employment as "self--insurance, United American" since 1960. He graduated from Nichols High School, New Orleans, Louisiana. He is connected with an insurance firm but the name was not known by any of the informants contacted. He was previously employed as the owner and operator of the Standard Business Bureau, a collection agency operated from his home. He has had this job for over a year and still devotes part time to this business.

He had been the owner of a Conoco Service Station, located at 101 St. Bernard, for almost two years, but closed the business because it was unsuccessful. He is married for the second time. His first marriage ended in divorce, but there is no criticism. He has one child by his present wife. He is reported to be in good health and he is well regarded personally in the community.

Another report in the Retail Credit Bureau's files was dated 14 March 1960 and reflected the following:

Vernon G. GERDES was born on 7 December 1923. From 2 July 1954 he was self-employed as the Commercial Investigation Service. He had numerous previous employments and is regarded as becoming discouraged very quickly. He worked as a clerk for Chrysler for two years. He worked for Gary LORD Special Investigation Service as an investigator for two years and was released as being unsuited for the job. He was employed by the Ex-Marine Detective Agency (sic) for a short time. He sold real estate for the WARNER Real Estate Company. He operated the GERDES Service Station, owned by his father, for five to six years.

He served in the Marine Corps from December 1942 to December 1945. His present wife works as a secretary for the Armstrong Cork Company. He is well regarded and had a good personal reputation.

Mr. E. C. JONES, of the Retail Credit Bureau, made available a report of investigation, dated 25 July 1960, in the name of Joseph A. OSTER, Jr.

Agent's Note:

Joseph A. OSTER, Jr. was listed in the D & B report as being associated with Guy B----- Associates, Inc.

The report reflected that he was employed as Vice-President of the Southern Research, Inc., for the past year and a half. Prior to this he had been with Guy B-----Associates, Inc. and with the New Orleans Police Department. Mr. OSTER'S present employment is with a private investigation firm having 10 or 12 employees. He has a good business record and appears to be financially stable. He receives \$1000 a year from rental income. His main duties are in the administrative and investigative lines. He lives with his wife and children in an average, middle class section of the city and his associates are respectable.

Mr. OSTER was in the Armed Forces shortly after World War II. He was born on 18 November 1928 at New Orleans, Louisiana, and is a graduate of Nichols High School. He was in the New Orleans Police Department as a detective for 6 years and left to work for Pendleton Detective Agency for a short time and then joined Guy B----- Associates, Inc. where he remained for a year and a half.

At the present time Mr. OSTER is Vice-President and Manager of the Southern Research, Inc., whose home office is in Shreveport, Louisiana. He earns \$15,000 yearly from his present position.

On 9 September 1960 Mrs. Betty ENGELBRACHT, secretary in the Credit Bureau, made available a credit report in the name of Joseph A. OSTER, Jr. of 7135 Dorian, New Orleans, Louisiana. The report, dated 3 August 1960, contained the following information:

Joseph A. OSTER was about 31 years old, was married and had four dependents. He was employed as Vice-President of the Southern Research Company, Inc. His earnings were estimated between \$12,000 and \$15,000 yearly. He is a native of New Orleans and has lived at the above address since March 1959. He was formerly employed by the City of New Orleans, was in the Armed Forces and was honorably discharged. He attended Loyola University as a GI student and worked parttime for the Progressive Bank.

In December 1956 he entered the employ of the Pendleton Detective Agency as an investigator. Prior to this he worked for Guy B----- Associates, Inc. as the Secretary and Treasurer.

The report reflected that Mr. OSTER had three attorney accounts for collection and all were paid. It had been reported that he owed \$130.94 to Godchaux, a New Orleans Department Store, as of 28 May 1959. Carl LEDEETTER had sued for \$33.65 as the result of an automobile accident. Mr. OSTER'S credit was rated "slow".

Mr. OSTER'S addresses were listed as

7135 Dorian
6638 Dorian
2428 Bay
3025 Spain
1200 Common
All of New Orleans, Louisiana

Attached to this report are Exhibits 1 thru 7 which contain background information pertaining to Guy B-----.

EOD:efd
Attach: Ex. 1-9